

Chicago Tribune, August 15, 2007

Insisting that they cannot stop BP from dumping more toxic waste into Lake Michigan, federal officials will instead try to persuade the oil company on Wednesday to finance other projects that would help clean up the lake.

At the behest of Mary Gade, the U.S. Environmental Protection Agency's regional administrator, a top BP executive and some of the company's leading critics will gather in Chicago to discuss ways to offset additional pollution from the largest oil refinery in the Midwest.

The meeting is the latest response to growing public outrage about a permit that allows BP to increase the amount of ammonia and suspended solids dumped into the lake by its Whiting, Ind., refinery, which rises along the shore 3 miles southeast of the Illinois-Indiana border.

The EPA plans to offer seven alternatives for the company to consider, including diverting some of the refinery's wastewater to a nearby municipal treatment plant.

Regulators also will suggest that BP could pay for projects that reduce pollution dumped into the lake by cities and other companies, or spend more to dredge contaminated tributaries.

"If BP can't or won't do more at its own facility, perhaps they can do more to protect the lake in other ways," Gade said in an interview Tuesday.

EPA officials have been pushing for more than three decades to eliminate pollution in Lake Michigan, the source of drinking water for Chicago and dozens of other communities. But the agency did not object when Indiana regulators awarded the permit in June.

The agency contends that it has no legal authority to rescind the permit, but opponents are

urging the EPA to take another look. They have collected more than 50,000 petition signatures and enlisted a bipartisan group, including Chicago Mayor Richard Daley, Illinois Gov. Rod Blagojevich, U.S. Rep. Mark Kirk (R-Ill.) and the rock groups Pearl Jam and Wilco.

Both Illinois and Chicago are considering legal action. Last month, the U.S. House voted 387-26 to approve a resolution urging Indiana to reconsider the permit. And the DuPage County Board on Tuesday joined a growing number of local governments that have approved a formal protest.

BP, which has taken out full-page newspaper advertisements and paid Internet bloggers to defend the permit, says it needs to discharge more pollution as part of a \$3.8 billion expansion that will enable the Whiting refinery to process more heavy Canadian crude oil.

The permit limits remain at or below federal guidelines. But the 1,584 pounds of ammonia BP is now allowed to release into Lake Michigan every day is 54 percent more than its previous limit. The company also will be allowed to dump up to 4,925 pounds of suspended solids, a 35 percent increase. The solids are tiny sludge particles that escape water treatment filters.

Based on past performance, the company expects to operate well below the limits, said Scott Dean, a BP spokesman.

After a closed-door meeting last month with a bipartisan group of lawmakers from the Great Lakes region, top BP executives promised to report back by Sept. 1 about whether more can be done to reduce pollution from the refinery. The company is sending Steve Elbert, vice chairman of BP America, to the EPA meeting on Wednesday.

"We still stand behind our permit, but we're always striving to improve the environmental impact of our operations," Dean said. He declined to comment on the EPA's suggestions.

Indiana Gov. Mitch Daniels also continues to defend the permit. In response to mounting criticism, though, Daniels appointed a panel to review the state's permitting process.

State and federal regulators agreed with BP that there isn't enough room at the 1,400-acre refinery to upgrade the water treatment plant to keep more pollution out of Lake Michigan.

The company's request to dump more chemicals into the lake runs counter to a provision of the Clean Water Act that prohibits any downgrade in water quality, even if discharge limits are met. To get around that rule, Indiana regulators allowed BP to install equipment that dilutes its wastewater with clean lake water about 200 feet offshore.

BP is the first company in Indiana allowed to use such a "mixing zone" in Lake Michigan, according to state records. Regulators recently have frowned on the method, which they describe in public documents as a threat to human health and to fish and wildlife.

Chicago officials said they've found several technologies at other refineries that dramatically reduce ammonia and suspended solids. The city and environmental groups are considering an appeal of the BP permit that would force Indiana regulators to consider alternatives.

"We've talked with BP about a number of options and nothing came of it," said Cameron Davis, president of the Alliance for the Great Lakes. "But if they are willing to do something different, we're happy to listen."

EPA officials said the company could take other steps that would benefit the lake. Their suggestions echo the language of legal settlements between the agency and companies accused of releasing too much pollution into the environment.

For instance, the agency said BP could increase the amount it already is spending to help dredge the Grand Calumet River and the Indiana Harbor and Ship Canal. The company is one of a half-dozen firms that settled an EPA complaint by agreeing to spend a combined \$56 million to clean up the heavily industrialized waterways, which each year wash millions of pounds of contaminated muck into the lake.

One of the EPA's other ideas would have BP pay to build wetlands along the shore, improve the shoreline or dig retention ponds to filter pollution and keep storm water from flowing into the

lake.

"They're missing the point," said U.S. Rep. Rahm Emanuel (D-Ill.) "They approved a permit that allows this company to dump more pollution into Lake Michigan. That's the bottom line. And that's why so many people are upset."

- - -

7 ways BP could help Source: U.S. Environmental Protection Agency

1. Finance projects that reduce pollution from other companies that discharge into the Grand Calumet River or Lake Michigan.
2. Divert all or some of the refinery's wastewater to nearby municipal treatment plants. The Hammond Sanitary District, East Chicago Sanitary District and Gary Sanitary District are options.
3. Pay for sewer upgrades in neighboring towns to keep sewage and storm water out of Lake Michigan.
4. Set aside money to filter pollution that seeps into the lake. Projects could include wetlands, shoreline restoration or storm-water retention ponds.
5. Make additional upgrades at the refinery's water treatment plant to reduce the amount of pollution flowing into Lake Michigan.
6. Spend more money to dredge contaminated muck from the Indiana Harbor and Ship Canal.

7. Join Indiana to pay for other projects that remove contaminated sediment in the Grand Calumet River.

This article was edited to comply with Franking Commission guidelines.